

Congress of the United States

House of Representatives

Washington, DC 20515

March 18, 2020

The Honorable Nancy Pelosi
Speaker of the House
H-232, The Capitol
Washington, DC 20515

Dear Speaker Pelosi,

Please, take care of yourself. We all rely on your leadership and the continued good work of your team to steer us through this crisis.

Thank you for your invitation to continue providing suggestions on the correct legislative responses the House should be putting forward.

My overriding concern is that the sometimes unique circumstances of the Northern Mariana Islands and other U.S. insular areas be fully incorporated in any action taken by the House. Everyone in the insular areas should receive aid equivalent to that provided nationwide. You have already demonstrated your commitment to this principle with insular area Medicaid funding, food aid, and tax cover-over provisions in the Families First Coronavirus Response Act. Thank you.

More specifically, I have these suggestions for the third round of assistance now under development:

1) Direct state and territory government aid for jurisdictions experiencing coronavirus-related revenue shortfalls.

The Marianas government is already in this position. Revenues were reported down 29% in mid-February because of lost tourism from China, Korea, and Japan. Since then, the situation has only worsened.

As an example of the scale of assistance that is necessary I introduced H.R. 6123 on March 5 to provide immediately \$100 million to the Marianas government to maintain essential services and keep paying employees.

Additionally or as a subset of this grant of operations funding, there should be funding akin to the State Fiscal Stabilization Fund in the American Recovery and Reinvestment Act to protect local education programs. (The Marianas received about \$50 million in 2009/10.) This funding would avoid the long-term negative effects of students' disrupted education and ensure the incomes of teachers and staff.

2) Direct cash payments to laid-off workers.

Direct cash payments seem the most certain and swift means to maintain household liquidity.

There are no unemployment insurance systems in the Pacific U.S. insular areas; so, provisions of the Family First Coronavirus Response Act that aid laid-off workers through state unemployment programs are not effective. Although the Marianas Department of Labor is experienced with administering Disaster Unemployment Assistance and Dislocated Worker Activities grants to aid workers laid off after a natural disaster this route, too, is less immediately effective than direct cash payments.

Please note: Because half the Marianas labor force is non-US citizen, to be fully effective any relief provided to laid-off workers must be equally available regardless of immigration status or citizenship. Additionally, the acceptance and use of COVID 19-related assistance by non-US citizens should not be a negative factor in subsequent applications for immigration benefits. These principles should apply nationwide.

3) Support for industries that underlie tourism – in all parts of the U.S.

Airlines have had to reduce or discontinue flying to the Marianas. Hotels occupancy is in single digits. Car rental companies are selling their fleets. Maintaining this travel industry infrastructure so that it is present when tourists can travel again is essential for a quick recovery.

Whatever support is provided nationally to key travel industries must, however, mandate that they are not allowed to use that support solely where it is most profitable to do so, leaving remote and rural areas orphaned.

4) Cover-over provisions in any tax credit based relief.

The Families First Coronavirus Response Act includes a provision for a cover-over of U.S. Treasury funds to territorial governments for the cost of the tax credit for sick leave paid to self-employed individuals.

Any tax credit-based relief provided in any subsequent coronavirus response legislation, as for instance the Earned Income Tax Credit-based direct aid that Representatives Ro Khanna and Tim Ryan have proposed, must, likewise, include such a cover-over. The Marianas and other insular area governments would otherwise be unable to meet the costs of these credits.

Thank you for your consideration of these recommendations. I will be returning to the Capitol on Thursday and would appreciate an opportunity to consult directly with you or your

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staff at the earliest. Your office may contact Bob Schwalbach, my Chief of Staff, at bob.schwalbach@mail.house.gov or 202.309.5787 to make these arrangements.

Sincerely,



GREGORIO KILILI CAMACHO SABLÁN
Member of Congress

cc: The Honorable Steny Hoyer, Majority Leader
The Honorable James Clyburn, Majority Whip
The Honorable Hakeem Jeffries, Chair – Democratic Caucus
The Honorable Robert C. Scott, Chair – Education and Labor Committee
The Honorable Frank Pallone, Chair – Energy and Commerce Committee
The Honorable Maxine Waters, Chair – Finance Services Committee
The Honorable Raúl Grijalva, Chair – Natural Resources Committee
The Honorable Peter DeFazio, Chair – Transportation and Infrastructure Committee
The Honorable Richard Neal, Chair – Ways and Means Committee